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UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

Service and Regulatory Announcements No. 160

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U.S. DEPARTMENT OF AGRICULTURE

REGULATIONS
FOR
WAREHOUSEMEN STORING
WOOL

REGULATIONS OF THE SECRETARY OF AGRICULTURE
UNDER THE UNITED STATES WAREHOUSE
ACT OF AUGUST 11, 1916
AS AMENDED

Issued September 1940
(Supersedes S. R. A. No. 128)



UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

SERVICE AND REGULATORY ANNOUNCEMENTS NO. 160

(Supersedes S. R. A. No. 128)

REGULATIONS FOR WAREHOUSEMEN STORING WOOL
UNDER THE UNITED STATES WAREHOUSE ACT

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D. C.

By virtue of the authority vested in the Secretary of Agriculture by Section 28 of the United States Warehouse Act, approved August 11, 1916 (39 Stat. 490, Sec. 28; 7 U. S. C. 268), as amended, Part 104, Chapter I, Title 7, of the Code of Federal Regulations, is hereby amended to read as follows:

(Title 7, Ch. I, Pt. 104 of the Code of Federal Regulations)

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DEFINITIONS

104.1. Meaning of words.—Words used in these regulations in the singular form shall be deemed to import the plural, and vice versa, as the case may demand.

104.2. Terms defined.—For the purposes of these regulations, unless the context otherwise require, the following terms shall be construed, respectively, to mean:

(a) *The act.*—The United States Warehouse Act, approved August 11, 1916 (39 Stat. 486, as amended; 7 U. S. C. 241–273).

(b) *Person.*—An individual, corporation, partnership, or two or more persons having a joint or common interest.

(c) *Secretary.*—The Secretary of Agriculture of the United States.

(d) *Designated representative.*—The Chief of the Agricultural Marketing Service.

(e) *Chief of the Service.*—The Chief of the Agricultural Marketing Service.

(f) *Department.*—The United States Department of Agriculture.

(g) *Service.*—The Agricultural Marketing Service of the United States Department of Agriculture.

(h) *Regulations.*—Rules and regulations made under the act by the Secretary.

(i) *Warehouse.*—Any suitable building, structure, or other protected inclosure in which wool is or may be stored for interstate or foreign commerce, or, if located within any place under the exclusive jurisdiction of the United States, in which wool is or may be stored and for which a license has been issued under the act.

(j) *Warehouseman.*—Any person lawfully engaged in the business of storing wool.

(k) *License.*—A license issued under the act by the Secretary or his designated representative.

(l) *Grader.*—A person licensed under the act by the Secretary or his designated representative, to grade and to certificate the grade of wool stored or to be stored in a licensed warehouse.

(m) *Weigher.*—A person licensed under the act by the Secretary, or his designated representative, to weigh and to certificate the weight of wool stored or to be stored in a licensed warehouse.

(n) *Receipt.*—A warehouse receipt.

(o) *Kind of wool.*—Grease, scoured, or pulled, and sorted or unsorted wool, or sorted or unsorted mohair.

(p) *State.*—A State, Territory, or District of the United States.

WAREHOUSE LICENSES

104.3. Application form.—Applications for licenses and amendments to licenses under the act shall be made to the Secretary upon forms prescribed for the purpose and furnished by the Service, shall be in English, shall truly state the information therein contained, and shall be signed by the applicant. The applicant shall at any time furnish such additional information as the Secretary or the Chief of the Service may find to be necessary to the proper consideration of his application.

104.4. Grounds for not issuing license.—A license for the conduct of a warehouse shall not be issued if it be found by the Secretary, or his designated representative, that the warehouse is not suitable for the proper storage of wool, that the warehouseman is incompetent to conduct such warehouse in accordance with the act and these regulations, or that there is any other sufficient reason within the intent of the act for not issuing such license.

104.5. Net assets.—Any warehouseman conducting a warehouse licensed or for which application for license has been made under the act shall have and maintain above all exemptions and liabilities net assets liable for the payment of any indebtedness arising from the conduct of the warehouse, to the extent

of at least \$15 per 1,000 pounds or fraction thereof of the maximum number of pounds of wool that the warehouse will accommodate when stored in the manner customary to the warehouse as determined by the Chief of the Service: *Provided*, That the amount of such assets shall not be less than \$5,000 and need not be more than \$100,000. If such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, such warehouses shall be deemed to be one warehouse for the purposes of the assets required under this section. For the purposes of this section only, paid-in capital stock shall not be considered a liability. Any deficiency in the required net assets may be supplied by an increase in the amount of the warehouseman's bond in accordance with section 104.12 (b).

104.6. Posting license.—Immediately upon receipt of his license or any amendment thereto under the act, the warehouseman shall post the same, and thereafter, except as otherwise provided in these regulations, keep it posted, until suspended or revoked, in a conspicuous place in the principal office where receipts issued by the warehouseman are delivered to depositors.

104.7. Suspension or revocation of license.—Pending investigation, the Secretary, or his designated representative, whenever he deems necessary, may suspend a warehouseman's license temporarily without hearing. Upon written request and a satisfactory statement of reasons therefor submitted by a warehouseman, the Secretary, or his designated representative, may, without hearing, suspend or revoke the license issued to such warehouseman. The Secretary or his designated representative may, after opportunity for hearing has been afforded in the manner prescribed in this section, revoke a license issued to a warehouseman when such warehouseman (a) is bankrupt or insolvent; (b) has parted, in whole or in part, with his control over the warehouse; (c) is in process of dissolution or has been dissolved; (d) has ceased to conduct such licensed warehouse; or (e) has in any other manner become nonexistent or incompetent or incapacitated to conduct the business of the warehouse. Whenever any of the conditions mentioned in subdivisions (a) to (e) of this section shall come into existence, it shall be the duty of the warehouseman to notify immediately the Chief of the Service of the existing condition. Before a license is permanently suspended or revoked for any violation of, or failure to comply with, any provision of the act or of these regulations, or upon the ground that unreasonable or exorbitant charges have been made for services rendered, the warehouseman involved shall be furnished by the Secretary, or his designated representative, a written statement specifying the charges and shall be allowed a reasonable time within which he may answer the same in writing and apply for a hearing, an opportunity for which shall be afforded in accordance with section 104.72.

104.8. Return of terminated, suspended, or revoked license.—When a license issued to a warehouseman terminates or is suspended or revoked by the Secretary or his designated representative, it shall be returned to the Secretary. At the expiration of any period of suspension of such license, unless it be in the meantime revoked, the dates of the beginning and termination of the suspension shall be indorsed thereon, it shall be returned to the warehouseman to whom it was originally issued, and it shall be posted as prescribed in section 104.6: *Provided*, That in the discretion of the Secretary or his designated representative a new license may be issued without reference to the suspension.

104.9. Lost or destroyed warehouse license.—Upon satisfactory evidence of the loss or destruction of a license issued to a warehouseman, a duplicate thereof may be issued under the same number.

104.10. Unlicensed warehousemen must not represent themselves as licensed.—No warehouse or its warehouseman or any other person shall be designated or represented as licensed under the act, and no name or description conveying the impression that it or he is so licensed shall be used, either in a receipt or otherwise, unless such person or warehouseman holds an unsuspended and unrevoked license for the conduct of such warehouse.

WAREHOUSE BONDS

104.11. Time of filing.—Unless the warehouseman has previously filed with the Secretary the bond required by section 104.12 he shall file such bond within a time, if any, specified by the Secretary or his designated representative, such bond to cover all obligations arising thereunder during the period of the license.

104.12. Basis of amount of bond; additional amounts.—(a) Exclusive of any amount which may be added in accordance with paragraphs (b) and (c) of this

section, the amount of such bond shall be at the rate of \$15 per 1,000 pounds or fraction thereof of the maximum number of pounds of wool that the warehouse will accommodate when stored in the manner customary to the warehouse for which such bond is required, as determined by the Chief of the Service but not less than \$5,000 nor more than \$50,000. If such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, and shall desire to give a single bond meeting the requirements of the act and these regulations for the said warehouses, such warehouses shall be deemed to be one warehouse for the purposes of the bond required under sections 104.11–104.15.

(b) In case of a deficiency in net assets as required by section 104.5, there shall be added to the amount of the bond fixed in accordance with paragraph (a) of this section, an amount equal to such deficiency.

(c) If the Secretary or his designated representative finds the existence of conditions warranting such action, there shall be added to the amount fixed in accordance with paragraphs (a) and (b) of this section a further amount fixed by him to meet such conditions.

104.13. Amendment of license.—If application is made under section 104.3 for an amendment of a license, and no bond previously filed by the warehouseman under sections 104.11 to 104.15 covers obligations arising under such amendment, the warehouseman shall, when notice has been given by the Secretary, or his designated representative, that such amendment will be granted upon compliance by such warehouseman with the act, file with the Secretary, within a time, if any, fixed in such notice, a bond complying with the act, unless bond in sufficient amount has been filed since the filing of such application. In the discretion of the Secretary, or his designated representative, a properly executed instrument in form approved by him, amending, extending, or continuing in force and effect the obligations of a valid bond previously filed by the warehouseman and otherwise complying with the act and these regulations may be filed in lieu of a new bond.

104.14. New bond required each year.—Whenever a license has been issued for a period longer than 1 year, such license shall not be effective beyond 1 year from its effective date unless the warehouseman shall have filed a new bond in the required amount with, and such bond shall have been approved by, the Secretary or his designated representative, prior to the date on which that license would have expired had it been issued for but 1 year, subject to the provisions of section 104.13.

104.15. Approval of bond.—No bond, amendment, or continuation thereof shall be deemed accepted for the purposes of the act and these regulations until it has been approved by the Secretary or his designated representative.

WAREHOUSE RECEIPTS

104.16. Form. (a) Every receipt, whether negotiable or nonnegotiable, issued for wool stored in a warehouse, shall, in addition to complying with the requirements of section 18 of the act (42 Stat. 1284; U. S. C. 260), embody within its written or printed terms the following: (1) The name of the warehouseman and the designation, if any, of the warehouse; (2) the number of the license issued to the warehouseman; (3) a statement whether the warehouseman is incorporated or unincorporated, and, if incorporated, under what laws; (4) in the event the relationship existing between the warehouseman and any depositor is not that of strictly disinterested custodianship, a statement setting forth the actual relationship; (5) a statement, conspicuously placed, whether the wool is insured by the warehouseman and, if insured, to what extent and whether against fire, lightning, or otherwise; (6) the kind of wool; (7) a blank space designated for the purpose in which, if the wool is not commingled, a careful estimate of the shrinkage of the wool may be stated, or in which, if the wool is commingled, a careful estimate of the shrinkage of the wool shall be stated; (8) if the wool is not commingled, its identification in accordance with section 104.34; (9) if the wool is commingled, a clear and conspicuous notation to that effect, and the designation of the lot or pile of which it is a part on the face of the receipt; and (10) the words “Negotiable” or “Nonnegotiable” and “Original” or “Copy” according to the nature of the receipt, clearly and conspicuously printed thereon.

(b) Every receipt, whether negotiable or nonnegotiable, issued for wool stored in a warehouse shall specify a period, not exceeding 1 year, for which the wool is accepted for storage under the act and these regulations. Upon demand and

surrender of the old receipt, by the lawful holder thereof, at or before the expiration of the specified period, and cancelation of the receipt, the warehouseman, upon such lawful terms and conditions as he may grant at such time to other depositors of wool in his warehouse, if he then continues to act as a licensed warehouseman, shall issue a new receipt for a further specified period not exceeding 1 year and shall indicate thereon the date when the wool was first received.

(c) Every negotiable receipt issued for wool stored in a warehouse shall, in addition to complying with the requirements of paragraph (a) of this section, embody within its written or printed terms the following: (1) If the wool covered by such receipt was graded by a licensed grader or weighed by a licensed weigher, a statement to that effect; (2) a form of indorsement which may be used by the depositor or the lawful holder of the receipt, or the authorized agent of either, for showing the ownership of, and liens, mortgages, or other encumbrances on, the wool covered by the receipt.

(d) Whenever the grade is stated in a receipt issued for wool stored in a warehouse, such grade shall be stated in accordance with sections 104.64–104.67.

(e) If a warehouseman issues a receipt omitting the statement of grade on request of the depositor, as permitted by section 18 of the act, such receipt shall have clearly and conspicuously stamped or written on the face thereof the words "Not graded on request of depositor."

(f) If a warehouseman issues a receipt under the act omitting any information not required to be stated, and for which a blank space is provided in the form of the receipt, a line shall be drawn through such space to show that such omission has been made by the warehouseman.

104.17. Copies of receipts.—Either actual copies or skeleton copies of all receipts shall be made, and all such copies, except those issued in lieu of the original in case of lost or destroyed receipts, shall have clearly and conspicuously printed or stamped thereon the words "Copy not negotiable."

104.18. Lost or destroyed receipts; bond for.—(a) In the case of a lost or destroyed receipt, if there be no statute of the United States or law of a State applicable thereto, a new receipt upon the same terms, subject to the same conditions, and bearing on its face the number and the date of the receipt in lieu of which it is issued and a plain and conspicuous statement that it is a duplicate issued in lieu of a lost or destroyed receipt, may be issued upon compliance with the conditions set out in paragraph (b) of this section.

(b) Before issuing such new or duplicate receipt the warehouseman shall require the depositor or other person applying therefor to make and file with the warehouseman (1) an affidavit showing that he is lawfully entitled to the possession of the original receipt, that he has not negotiated or assigned it, how the original receipt was lost or destroyed, and if lost, that diligent effort has been made to find the receipt without success, and (2) a bond in an amount double the value at the time the bond is given of the wool represented by the lost or destroyed receipt. Such bond shall be in a form approved for the purpose by the Secretary or his designated representative, shall be conditioned to indemnify the warehouseman against any loss sustained by reason of the issuance of such duplicate receipt, and shall have as surety thereon preferably a surety company which is authorized to do business, and is subject to service of process in a suit on the bond, in the State in which the warehouse is located, or at least two individuals who are residents of such State and each of whom owns real property therein having a value, in excess of all exemptions and encumbrances, equal to the amount of the bond.

104.19. Printing of receipts.—No receipt shall be issued by a warehouseman except it be (a) in form prescribed by the Chief of the Service, (b) upon distinctive paper specified by him, (c) printed by a printer with whom the United States has a subsisting contract and bond for such printing, and (d) on paper manufactured by and procured from a manufacturer with whom the United States has a subsisting contract and bond for the manufacture of such paper.

104.20. Grade, weight, shrinkage of commingled wool.—The grade, weight, and approximate shrinkage stated in a receipt for wool that is or is to be commingled shall be as determined by a grader and weigher duly licensed to grade and weigh and to certificate the grade and weight thereof under the act and these regulations.

104.21. Cancelation of receipts; delivery of wool.—Except as otherwise provided in these regulations all receipts shall be canceled by the warehouseman when the wool covered by such receipts is to be delivered, is to be graded, sorted, or scoured, or its identity is to be disturbed in any manner.

104.22. Partial delivery of wool.—If a warehouseman deliver a part only of a lot of wool for which he has issued a negotiable receipt, he shall take up and cancel such receipt and issue a new receipt in accordance with these regulations for the undelivered portion of the wool.

104.23. Receipts; return and cancelation.—Except as permitted by law or by these regulations a warehouseman shall not deliver wool for which he has issued a negotiable receipt until such receipt has been returned to him and canceled, and shall not deliver wool for which he has issued his nonnegotiable receipt until such receipt has been returned to him or he has obtained from the person lawfully entitled to such delivery or his authorized agent a written order for delivery and a signed acknowledgment thereof. Such order shall specify the receipt involved, the grade of the wool if stated on the receipt, and the amount of wool to be delivered.

104.24. Nonnegotiable receipts.—Each person to whom a nonnegotiable receipt is issued or the holder thereof shall furnish the warehouseman with a statement in writing indicating the person or persons having power to authorize delivery of wool covered by such receipt, together with the genuine bona fide signature of such person or persons. No licensed warehouseman shall honor an order for the release of wool covered by a nonnegotiable receipt until he has first ascertained that the person issuing the order has authority to order such release and that the signature of the releasing party is genuine.

104.25. Omission of grade; no compulsion by warehouseman.—No licensed warehouseman shall, directly or indirectly by any means whatsoever, compel or attempt to compel the depositor of any wool in his warehouse to request the issuance of a receipt omitting the statement of grade.

DUTIES OF LICENSED WAREHOUSEMAN

104.26. Method of storing wool.—(a) Each warehouseman shall, subject to the provisions of section 13 of the act (39 Stat. 486; 7 U. S. C. 254), receive for storage in his warehouse all wool offered for storage the identity of which is to be preserved during the storage period, and also, if he so elects, as provided elsewhere in these regulations, all wool which is to be commingled. Each warehouseman who has elected to store in his warehouse wool which is to be commingled shall, when so requested in writing as to any wool by the depositor thereof, mingle such wool with other wool, if any, of the same kind, grade, and approximate shrinkage: *Provided*, That no wool may be commingled for which a receipt is outstanding unless the receipt clearly indicates that such wool is or is to be commingled. No warehouseman shall commingle with wool belonging to any depositor wool which is owned by him solely, jointly, or in common with others.

(b) Before making any change in his policy as to whether he will store in his warehouse wool which is to be commingled, each warehouseman shall file with the Chief of the Service a statement in writing showing the proposed change, the effective date thereof, and the reasons therefor.

104.27. Insurance; requirements.—(a) Each warehouseman, when so requested in writing as to any wool by the depositor thereof or lawful holder of the receipt covering such wool, shall, to the extent to which in the exercise of due diligence he is able to procure such insurance, keep such wool while in his custody as a warehouseman insured in his own name or arrange for its insurance otherwise to the extent so requested against loss or damage by fire or lightning. When insurance is not carried in the warehouseman's name the receipts shall show that the wool is not insured by the warehouseman. Such insurance shall be covered by lawful policies issued by one or more insurance companies authorized to do such business and subject to service of process in suits brought in the State where the warehouse is located. If the warehouseman is unable to procure such insurance to the extent requested, he shall, orally, or by telegraph, or by telephone immediately notify the person making the request of the fact. Nothing in this section shall be construed to prevent the warehouseman from adopting a rule that he will insure all wool stored in his warehouse.

(b) Each warehouseman shall keep exposed conspicuously in the place prescribed by section 104.6 and at such other place as the Chief of the Service or his representative may from time to time designate, a notice stating briefly the conditions under which the wool will be insured against loss or damage by fire or lightning.

(c) Each warehouseman shall, in accordance with his contracts with insurance and bonding companies for the purpose of meeting the insurance and bonding requirements of these regulations, pay such premiums, permit such reasonable inspections and examinations, and make such reasonable reports as may be provided for in such contracts.

(d) Each warehouseman shall promptly take such steps as may be necessary and proper to collect any moneys which may become due under contracts of insurance entered into by him for the purpose of meeting the requirements of these regulations, and shall, as soon as collected, promptly pay over to the persons concerned any portion of such moneys which they may be entitled to receive from him.

104.28. System of accounts.—(a) Each warehouseman shall use for his warehouse a system of accounts, approved for the purpose by the Department, which shall show for each lot of wool received, its weight, the number of bags or bales, its grade when its grade is required to be, or is, ascertained, its location in the warehouse, the dates received for and delivered out of storage, the receipts issued and canceled, and a separate record for each depositor of wool, and such accounts shall include a detailed report of all moneys received and disbursed and of all insurance policies taken out and canceled. In addition, for wool the identity of which is to be preserved, the accounts shall show its identification in accordance with section 104.34, and for wool the identity of which is not preserved the accounts shall show the designation of the lot or pile of which it is a part and the estimate of the shrinkage of such wool stated on the receipt therefor.

(b) Each warehouseman shall provide a metal fireproof safe, a fireproof vault, or a fireproof compartment in which he shall keep, when not in actual use, all records, books, and papers pertaining to the warehouse, including his current receipt book, copies of receipts issued, and canceled receipts, except that, with the written approval of the Department upon a showing by such warehouseman that it is not practicable to provide such fireproof safe, vault, or compartment, he may keep such records, books, and papers in some other place of safety approved by the Chief of the Service or his representative. All canceled receipts shall be arranged by the warehouseman in numerical order as soon as possible after their cancelation and shall be preserved in numerical order thereafter.

104.29. Reports; copies.—(a) Each warehouseman shall from time to time make such reports as the Chief of the Service or his representative may require, on forms furnished for the purpose by the Service, concerning the condition, contents, operation and business of the warehouse.

(b) Each warehouseman shall keep on file, as a part of the records of the warehouse, for such period as may be prescribed by the Department, an exact copy of each such report submitted by such warehouseman under this section and copies of grade and weight certificates as are required to be filed with him by section 104.57.

104.30. Canceled receipts; auditing.—Each warehouseman, when requested by the Service, shall forward his canceled receipts for auditing to Washington or to such offices of the Service as may be designated from time to time. For the purpose of this section, only such portion as may be designated of each canceled receipt, numbered to correspond with the actual receipt number, need be submitted.

104.31. Warehouse charges.—A warehouseman shall not make any unreasonable or exorbitant charge for services rendered. Before a license to conduct a warehouse is granted the warehouseman shall file with the Service a copy of his rules and a schedule of charges to be made by him if licensed. Before making any change in such rules or schedule of charges he shall file with the Service a statement in writing showing the proposed change and the reasons therefor. Each warehouseman shall keep exposed conspicuously, in the place prescribed by section 104.6 and at such other place, accessible to the public, as the Department may from time to time designate, a copy of his current rules and schedule of charges.

104.32. Signs; posting; design.—(a) Every warehouseman operating a "field" or "custodian" warehouse shall, during the life of his license, display and maintain suitable signs on the licensed warehouse, both on the inside and exterior walls, and particularly on doors and usual places of entry, in such manner as would ordinarily be calculated to give the public notice of his tenancy of all buildings or parts thereof included in his license.

(b) Such signs shall be of such size and design as to readily attract the attention of the public and shall show the following: (1) The name and license number

of the licensee, (2) the name of the warehouse, (3) whether the warehouseman is owner or lessee, and (4) the words "Public warehouse."

(c) Such other wording or lettering as is not inconsistent with the purposes of the act and these regulations and is approved by the Chief of the Service may appear in the sign or signs.

(d) Upon the expiration of his license and during any period of suspension thereof the warehouseman shall immediately remove all references to the license.

(e) The warehouseman shall not permit any sign to remain on his licensed property which might lead to confusion as to the tenancy.

104.33. Examination of warehouses.—Each warehouseman shall permit any officer or agent of the Department, authorized by the Secretary, or his designated representative, for the purpose, to enter and inspect or examine at any time any warehouse for the conduct of which such warehouseman holds a license, the office thereof, the books, records, papers, and accounts relating thereto, and the contents thereof, and shall furnish such officer or agent the assistance necessary to enable him to make any such inspection or examination under this section.

104.34. Identity-preserved wool.—Upon the acceptance by a warehouseman for storage in his warehouse of any lot of wool, the identity of which is to be preserved, he shall store, or cause to be stored, such wool in an individual section or space designated by lot numbers, or by letters, or other clearly distinguishing words or signs, permanently and securely affixed thereto, or shall so mark the container or containers of such wool or so place the wool in the warehouses that its identity will not be lost during the storage period.

104.35. Arrangement of wool.—Each warehouseman shall arrange the bags or bales of wool in his warehouse so that each lot can be identified and the bags or bales in each lot readily checked. If tiered the bags or bales may be stored in double rows but one end of each bag so tiered shall face an aisle. Bulk wool shall be so stored that it may readily be measured and the quantity therein estimated. To each lot whether of bagged, baled, or bulk wool shall be secured a tag, which shall always be accessible and plainly visible, showing the lot or pile number and the number of bags or bales and, if bulk wool, the pounds of wool therein. For any wool which has been temporarily removed from a lot for display, sampling, or other purposes proper notation shall be made on the reverse side of the lot tag showing the quantity so removed and its location. Such notation shall be stricken out upon the return of the wool to its lot.

104.36. Wet or fire-damaged wool.—A warehouseman shall not store any wool that is excessively wet in contact with any other wool in the warehouse. A warehouseman shall not store in the same compartment with wool that has not been damaged by fire any bag or lot of wool that has been damaged by fire until the fire-damaged wool has been removed from the bag or lot, and then he shall not store it in contact with wool that has not been so damaged.

104.37. Care of wool and other commodities.—(a) Each warehouseman shall at all times, including any period of suspension of his license, exercise such care in regard to wool in his custody as a reasonably careful owner would exercise under the same circumstances and conditions. The warehouseman shall not handle or store wool in such manner as may tend to injure or damage the wool.

(b) If, at any time, a warehouseman shall handle or receive wool otherwise than as a licensed warehouseman, or shall handle or store any other commodity, he shall so protect the same and otherwise exercise such care with respect to it as not to endanger the wool in his custody as a licensed warehouseman or impair the insurance thereon or his ability to meet his obligations and perform his duties under the act and these regulations.

104.38. Warehouse to be kept clean.—Each warehouseman shall keep his warehouse clean and free from trash, dust, rubbish, and scattered wool. He shall also exercise every precaution to keep his warehouse free of moths and other pests.

104.39. Business hours.—(a) Each warehouse shall be kept open for the purpose of receiving wool for storage and delivering wool out of storage every business day, excepting Saturdays when the period may be shorter, for a period of not less than 6 hours between the hours of 8 a. m. and 6 p. m., except as provided in paragraph (b) of this section.

(b) If the warehouse is not kept open regularly as required in paragraph (a) of this section, the warehouseman shall keep conspicuously posted on the door of the public entrance to his office and to his warehouse a notice showing the hours during which the warehouse will be kept open and the name of an accessible person, with the address where he is to be found, who shall be authorized to

deliver wool stored in such warehouse, upon lawful demand by the depositor thereof or the holder of the receipt therefor.

104.40. Excess storage.—If at any time a warehouseman is offered wool in such quantity that to store it would result in exceeding his licensed capacity, he shall so arrange the wool as not to obstruct free access thereto and the proper use of sprinkler or other fire protection equipment provided for such warehouse and shall immediately apply to the Chief of the Service to have the licensed capacity increased. Until such increase is granted, no receipt shall be issued for such wool.

104.41. Removal of wool from warehouse.—Unless it becomes absolutely necessary to protect the wool, no wool covered by receipts issued under the act shall be removed from a warehouse, except as provided in section 104.42, and immediately upon any such removal the warehouseman shall notify the Chief of the Service of such removal and the necessity therefor.

104.42. Delivery of wool.—Except as may be provided by law or by these regulations, each warehouseman (a) upon proper presentation of a receipt for commingled wool and upon payment or tender of all advances and legal charges shall deliver to the lawful holder of such receipt wool of the kind, grade, quantity, and approximate shrinkage named in such receipt or in the grade certificate covering the particular lot of wool specified by the receipt and (b) upon proper presentation of a receipt for any wool, the identity of which was to be preserved during the storage period, and upon payment or tender of all advances and legal charges, shall deliver to the person lawfully entitled thereto the identical wool so stored in his warehouse.

104.43. Signers of warehouse receipts; filing names.—Each warehouseman shall file with the Department the name and genuine signature of each person authorized to sign warehouse receipts for the warehouseman, and shall promptly notify the Department of any changes as to person authorized to sign and shall file the signatures of such persons, and each warehouseman shall be bound by such signatures the same as if he had personally signed the receipt.

104.44. Weighing apparatus; examination.—Any weighing apparatus used for ascertaining the weight stated in a receipt or certificate issued for wool stored in a warehouse shall be subject to examination by any officer or agent of the Department. If the Department shall disapprove any such weighing apparatus, it shall not thereafter, unless such disapproval be withdrawn, be used in ascertaining the weight of any wool for the purposes of the act and these regulations.

104.45. Fire loss; report by wire.—If at any time a fire shall occur at or within any licensed warehouse, it shall be the duty of the warehouseman to report immediately by wire to the Department the occurrence of such fire and the extent of damage.

FEES

104.46. License fees; grader's and weigher's.—There shall be charged, assessed, and collected a fee of \$10 for each warehouseman's license, or any amendment thereto, and a fee of \$3 for each license issued to a grader and/or weigher.

104.47. Warehouse inspection fees.—There shall be charged, assessed, and collected for each original examination or inspection of a warehouse under the act, when such examination or inspection is made upon application of a warehouseman, a fee at the rate of \$2 for each 100,000 pounds of storage capacity or fraction thereof, determined in accordance with section 104.12 (a) but in no case less than \$10 nor more than \$200, and for each reexamination or reinspection applied for by such warehouseman a fee, based on the extent of the reexamination or reinspection, proportioned to but not greater than that prescribed for the original examination or inspection.

104.48. Advance deposit.—Before any warehouseman's license or amendment thereto is granted, or an original examination or inspection, or reexamination or reinspection, applied for by a warehouseman, is made, pursuant to these regulations, the warehouseman shall deposit with the Service the amount of the fee prescribed therefor. Such deposit shall be made in the form of a check, certified if required by the Service, or post office or express money order payable to the order of "Treasurer of the United States."

104.49. Return of excess deposit.—The Treasurer of the United States shall hold in a special deposit account each advance deposit made under section 104.48 until the fee, if any, is assessed and he is furnished by the Service with a statement showing the amount thereof and against whom assessed. Any part of such

advance deposit which is not required for the payment of any fee assessed shall be returned to the party depositing the same.

GRADERS AND WEIGHERS

104.50. Applications.—(a) Applications for licenses to grade or weigh wool under the act shall be made to the Department on forms furnished for the purpose.

(b) Each such application shall be signed by the applicant, shall be verified by him under oath or affirmation administered by a duly authorized officer, and shall contain or be accompanied by (1) the name and location of the warehouse or warehouses licensed, or for which application for license has been made under the act, in which wool sought to be graded or weighed under such license is or may be stored; (2) a statement from the warehouseman conducting such warehouse showing whether the applicant is competent and is acceptable to such warehouseman for the purpose; (3) satisfactory evidence that he is competent to perform the kind of service for which a license is sought; (4) a statement by the applicant that he agrees to comply with and abide by the terms of the act and the regulations so far as the same may relate to him; and (5) such other information as the Department may deem necessary.

(c) A single application may be made by any person for a license to grade and weigh upon complying with the requirements of this section.

104.51. Examination.—Each applicant for a license as a grader or weigher and each grader or weigher shall, whenever requested by an authorized agent of the Department designated by the Chief of the Service for the purpose, submit to an examination or test to show his ability properly to perform the duties of a licensed grader or weigher.

104.52. Posting of license.—Each grader or weigher shall keep his license conspicuously posted in the office of the warehouse where most of the grading or weighing is done.

104.53. Proper discharge of duties.—Each grader and each weigher, when requested, shall, without discrimination, as soon as practicable, and upon reasonable terms, grade or weigh and certificate the grade or weight of wool stored or to be stored in a warehouse for which he holds a license, if such wool be offered to him under such conditions as permit proper grading or weighing and the determination of the grade or weight thereof. In every case when the graded wool is to be commingled the grader shall make a careful estimate of its shrinkage. Each such grader or weigher shall give preference to persons who request his services as such over persons who request his services in any other capacity. No grade certificate or weight certificate shall be issued under the act for wool not stored or not to be stored in a licensed warehouse.

104.54. Grade certificate; form.—Each grade certificate issued under the act by a grader shall be in a form approved for the purpose by the Department, and shall embody within its written or printed terms: (a) The caption "United States Warehouse Act, Wool Grade Certificate"; (b) whether it is an original, a duplicate, or other copy; (c) the name and location of the warehouse in which the wool is or is to be stored; (d) the date of the certificate; (e) the location of the wool at the time of grading; (f) the designation of the lot from which the wool was taken; (g) if the wool is not to be commingled, its identification in accordance with section 104.34; (h) the consecutive number of the certificate; (i) the pounds of each grade of wool covered by the certificate; (j) a blank space designated for the purpose in which, if the identity of the wool is to be preserved, a careful estimate of the shrinkage of the wool may be stated, or in which, if the wool is to be commingled, a careful estimate of the shrinkage of the wool shall be stated; (k) the grade of the wool as determined by such grader in accordance with sections 104.64–104.67; (l) the lot or pile number assigned to the grade; (m) the kind of wool; (n) that the certificate is issued by a licensed grader under the United States Warehouse Act and the regulations thereunder; and (o) the signature of the grader who graded the wool. In addition the grade certificate may include any other matter not inconsistent with the act or these regulations, provided the approval of the Service is first secured.

104.55. Weight certificate; form.—Each weight certificate issued under the act by a weigher shall be in a form approved for the purpose by the Department and shall embody within its written or printed terms: (a) the caption "United States Warehouse Act, Wool Weight Certificate;" (b) whether it is an original, a duplicate, or other copy; (c) the name and location of the warehouse in which

the wool is or is to be stored; (d) the date of the certificate; (e) if the identity of the wool is to be preserved, its identification in accordance with section 104.34; (f) the consecutive number of the certificate; (g) the weight of the wool and, if the wool be excessively wet or otherwise of a condition materially affecting its weight, a statement of such fact; (h) that the certificate is issued by a licensed weigher, under the United States Warehouse Act and the regulations thereunder; and (i) the signature of such weigher. In addition the weight certificate may include any other matter not inconsistent with the act or these regulations, provided the approval of the Service is first secured.

104.56. Combined certificate.—The grade and weight of any wool, ascertained by a grader and weigher, may be stated on a certificate meeting the combined requirements of sections 104.54–104.55 of this regulation, if the form of such certificate shall have been approved for the purpose by the Department.

104.57. Copies of certificates.—Each grader and each weigher shall keep for a period of 1 year in a place accessible to persons financially interested, a copy of each certificate issued by him under these regulations and shall file a copy of each such certificate with the warehouse in which the wool covered by the certificate is stored.

104.58. Inspections.—Each grader and each weigher shall permit any duly authorized officer or agent of the Department to inspect or examine, on any business day during the usual hours of business, his books, papers, records, and accounts relating to the performance of his duties under the act and these regulations, and shall, with the consent of the warehouseman concerned, assist any such officer or agent in the inspection or examination mentioned in section 104.33, as far as any such inspection or examination relates to the performance of his duties as a licensed grader or licensed weigher.

104.59. Reports.—Each grader and each weigher shall, from time to time, when requested by the Department, make reports on forms furnished for the purpose by the Service bearing upon his activities as such grader or weigher.

104.60. Suspension or revocation of licenses.—Pending investigation, the Secretary, or his designated representative, may, whenever he deems necessary, suspend the license of a grader or weigher temporarily without hearing. Upon a written request and a satisfactory statement of reasons therefor submitted by the licensee, or when the licensee has ceased to perform the services for which licensed, the Secretary, or his designated representative, may without hearing, suspend or revoke the license issued to such licensee. The Secretary, or his designated representative, may, after opportunity for hearing has been afforded in the manner prescribed in this section, suspend or revoke a license issued to a grader or weigher when such licensee has, in any manner, become incompetent or incapacitated to perform his duties as such licensee. As soon as it shall come to the attention of a licensed warehouseman that any of the conditions in this section exist, it shall be his duty to notify in writing the Chief of the Service. Before the license of any grader or weigher is permanently suspended, or revoked pursuant to section 12 of the Act (46 Stat. 1464; 7 U. S. C. 253), such licensee shall be furnished by the Secretary, or by his designated representative, a written statement specifying the charges and shall be allowed a reasonable time within which he may answer the same in writing and apply for a hearing, an opportunity for which shall be afforded in accordance with section 104.72.

104.61. Return of suspended, revoked, terminated licenses.—(a) In case a license issued to a grader or weigher is suspended or revoked by the Secretary, or his designated representative, such license shall be returned to the Secretary. At the expiration of any period of suspension of such license, unless in the meantime it be revoked, the dates of the beginning and termination of the suspension shall be indorsed thereon, it shall be returned to the grader or weigher to whom it was originally issued, and it shall be posted as prescribed in section 104.52.

(b) Any license issued under the act and these regulations to a grader or weigher shall automatically terminate as to any warehouse whenever the license of such warehouse shall expire or be suspended or revoked. Thereupon the license of such grader or weigher shall be returned to the Secretary. In case such license shall apply to other warehouses, the Secretary, or his designated representative, shall issue to him a new license, omitting the names of the warehouses the licenses of which have been suspended or revoked. Such new license shall be posted as prescribed in section 104.52.

104.62. Lost or destroyed licenses.—Upon satisfactory proof of the loss or destruction of a license issued to a grader or weigher, a duplicate thereof may be issued under the same number.

104.63. Unlicensed persons; misrepresentation.—No person shall in any way represent himself to be a grader or weigher licensed under the act if his license is in suspension or has been revoked.

WOOL GRADING

104.64. Statement of grades.—Whenever the grade of wool is required to be or is stated for the purposes of the act or these regulations, it shall be stated in accordance with sections 104.64–104.67.

104.65. Wool grades; adoption; terms defined.—(a) The official wool grades of the United States within their scope are hereby adopted as the official wool standards for the purposes of the act and these regulations.

(b) Factors other than those included in the official grades and for which no standards of the United States are in effect shall be stated in accordance with any standards approved for the purpose by the Service.

(c) Wool which is reduced in value because of the presence of extraneous matter, or irregularity, or other defect not affecting its grade, such as wrapped with sisal or binder twine, excessively wrapped, dead, cotted, burry, seedy, black, gray, or colored, damaged, carbonizing, kempy, or false packed, shall be so designated.

(d) For the purpose of this section the following terms used in connection with or to describe wool, shall be construed respectively to mean:

Excessively wrapped.—Wool tied with more wrappings of twine than is necessary to bundle properly folded and rolled fleeces.

Dead wool.—Wool from dead sheep.

Cotted wool.—Wool that has felted or matted on the sheep's back.

Burry wool.—Wool containing burrs removable by hand or mechanical means.

Seedy wool.—Wool containing seeds, chaff, or other vegetable matter.

Black, gray, or colored wool.—Entire fleeces or portions of fleeces of black, gray, or colored wool.

Damaged wool.—Wool damaged by fire, water, moisture, or moths.

Carbonizing wool.—Wool from which the burrs or other substances can be removed only by carbonizing.

Kempy wool.—Wool containing kemps, opaque, white fibers, found generally in the fleeces of old or sick sheep.

False packed.—A fleece so packed as fraudulently to conceal substances entirely foreign to wool.

Lamb's wool.—The first fleeces shorn from young sheep.

Buck's.—The heavy, oily fleeces shorn from male sheep.

Bright.—Bright, white lustrous wool.

Semibright.—Lustrous wool dulled in color by the foreign matter it contains.

104.66. Examination; basis of grade.—Whenever the grade of wool is required to be or is stated for the purposes of the act or these regulations, it shall be based upon a careful and thorough examination of the wool, and the grading thereof shall be made under conditions which permit the determination of its true grade.

104.67. Wool standard forms.—Each warehouseman and grader shall keep himself provided with, or have access to, a set of practical forms of the official wool standards of the United States.

ARBITRATION

104.68. Wool arbitration.—(a) Except when agreements have been made in accordance with the United States Arbitration Act (43 Stat. 883; 9 U. S. C. 1–15), in case a question arises as to whether the condition, grade, or shrinkage of the wool was correctly stated in a receipt, or grade certificate issued under the act and these regulations, the licensed warehouseman or the lawful holder of the receipt or certificate concerned, after reasonable notice to the other interested party, may submit the question to an arbitration committee for determination in accordance with this section.

(b) Such arbitration committee shall be composed of three or more disinterested persons who are competent to pass upon the questions involved. If there be a local trade organization such as a board of trade, chamber of commerce, exchange, or inspection department which provides such a committee under a rule or practice acceptable to the Chief of the Service for the purpose, such a com-

mittee may determine the question. In the absence of such committee, or if for any good reason not inconsistent with the act and these regulations such committee is not acceptable to either of the parties interested, the complainant and the other party shall each name a member, and the two members so named shall select a third member, who shall constitute the arbitration committee. Each member of any such committee shall at all times be subject, for good cause, to the disapproval of the Chief of the Service, and in case any member is so disapproved he shall not thereafter act on an arbitration committee which is considering any questions relating to the same lot of wool unless such disapproval be withdrawn.

(c) It shall be the duty of the interested parties to acquaint the arbitration committee with the exact nature of the question to be determined and all the necessary facts and to permit the committee to examine the receipt, certificate, or wool involved or any papers or records needed for the determination of the question. The committee shall make a written finding setting forth the question involved, the necessary facts, and its determination. Such findings or a true copy thereof shall be filed as a part of the records of the licensed warehouseman involved. It may dismiss the matter without determination upon the request of the complainant, or for noncompliance by the complainant with the law or these regulations, or because it is without sufficient evidence to determine the question, in which case the decision shall be deemed to be against the complainant. Except as otherwise provided by law, its decision shall be final for the purposes of the act and these regulations, unless the Chief of the Service shall direct a review of the question. Any necessary and reasonable expense of such arbitration shall be borne by the losing party, unless the committee shall decide that such expense shall be prorated between the parties.

(d) If the decision of the arbitration committee be that the grade, condition, or shrinkage was not correctly stated, the receipt or certificate involved shall be returned to and canceled by the licensee who issued it, and he shall substitute therefor one conforming to the decision of the committee.

MISCELLANEOUS

104.69. Bonds required of State warehouses.—Every person applying for a license under section 9 of the act (46 Stat. 1464; 7 U. S. C. 248), or licensed thereunder, shall, as such, be subject to all portions of these regulations, except section 104.5, so far as they relate to warehousemen. If there is a law of any State providing for a system of warehouses owned, operated, or leased by such State, a person applying for a license under section 9 of the act to accept the custody of wool and to store the same in any of said warehouses may, in lieu of a bond or bonds, complying with sections 104.11–104.12, file with the Secretary a single bond meeting the requirements of the act and these regulations, in such form and in such amount, not less than \$5,000, as he shall prescribe, to insure the performance by such person with respect to the acceptance of the custody of wool and its storage in the warehouses in such system for which licenses are or may be issued of his obligations arising during the periods of such licenses, and in addition, if desired by the applicant, during the periods of any amendments thereto. In fixing the amount of such bond, consideration shall be given among other appropriate factors, to the character of the warehouses involved, their actual or contemplated capacity, the bonding requirements of the State, and its liability with respect to such warehouses. If the Secretary, or his designated representative, shall find the existence of conditions warranting such action, there shall be added to the amount of the bond so fixed, a further amount, fixed by him, to meet such conditions.

104.70. Publications.—Publications under the act and these regulations shall be made in such media as the Chief of the Service may from time to time designate for the purpose.

104.71. Violations to be reported.—Every person licensed under the act shall immediately furnish the Department any information which comes to the knowledge of such person tending to show that any provision of the act or these regulations has been violated.

104.72. Procedure in hearings.—For the purpose of a hearing under the act or these regulations, except section 104.68, the licensee involved shall be allowed a reasonable time, fixed by the Secretary, or his designated representative, within which affidavits and other proper evidence may be submitted. If requested by the licensee within such time, an oral hearing, of which reasonable notice shall be given, shall be held before, and at a time and place fixed

by, the Secretary or his designated representative. The testimony of the witnesses at such oral hearing shall be upon oath or affirmation administered by the official before whom the hearing is held, when required by him. Such oral hearing may be adjourned by him from time to time. After reasonable notice to all parties concerned, the deposition of any witness may be taken at a time and place and before a person designated for the purpose by the Secretary or his designated representative. Every written entry in the records of the Department, made by an officer or employee thereof in the course of his official duty, which is relevant to the issue involved in a hearing shall be admissible as prima facie evidence of the facts stated therein without the production of such officer or employee. Copies of all papers and all the evidence submitted or considered in such hearings shall be made a part of the records of the Department. The records and, when there has been an oral hearing other than by the Secretary, the recommendation of the official holding such oral hearing shall be transmitted to the Secretary, or his designated representative, for his consideration. Each party shall pay all expenses contracted by him in connection with any hearing under this section.

104.73. One document and one license to cover several products.—(a) A license may be issued for the storage of two or more agricultural products in a single warehouse. Where such license is desired, a single application, inspection, bond, record, report, or other paper, document, or proceeding relating to such warehouse shall be sufficient unless otherwise directed by the Service.

(b) Where such license is desired, the amount of the bond, net assets, and inspection and license fees shall be determined by the Chief of the Service in accordance with the regulations applicable to the particular agricultural product which would require the largest bond and the greatest amount of net assets and of fees if the full capacity of the warehouse was used for its storage.

104.74. Amendments.—Any amendment to, or revision of, these regulations, unless otherwise stated therein, shall apply in the same manner to persons holding licenses at the time it becomes effective as it applies to persons thereafter licensed under the act.

Done at Washington, D. C., this 7th day of September, 1940. Witness my hand and the seal of the Department of Agriculture.



Grover B. Hill

Acting Secretary of Agriculture.

UNITED STATES WAREHOUSE ACT

[39 United States Statutes at Large, page 486, as amended July 25, 1919, February 23, 1923, and March 2, 1931]

That this Act shall be known by the short title of "United States Warehouse Act."

SEC. 2. That the term "warehouse" as used in this Act shall be deemed to mean every building, structure, or other protected inclosure in which any agricultural product is or may be stored for interstate or foreign commerce, or, if located within any place under the exclusive jurisdiction of the United States, in which any agricultural product is or may be stored. As used in this Act, "person" includes a corporation or partnership or two or more persons having a joint or common interest; "warehouseman" means a person lawfully engaged in the business of storing agricultural products; and "receipt" means a warehouse receipt.

SEC. 3. That the Secretary of Agriculture is authorized to investigate the storage, warehousing, classifying according to grade and otherwise, weighing, and certification of agricultural products; upon application to him by any person applying for license to conduct a warehouse under this Act, to inspect such warehouse or cause it to be inspected; at any time, with or without applica-

tion to him, to inspect or cause to be inspected all warehouses licensed under this Act; to determine whether warehouses for which licenses are applied for or have been issued under this Act are suitable for the proper storage of any agricultural product or products; to classify warehouses licensed or applying for a license in accordance with their ownership, location, surroundings, capacity, conditions, and other qualities, and as to the kinds of licenses issued or that may be issued for them pursuant to this Act; and to prescribe, within the limitations of this Act, the duties of the warehousemen conducting warehouses licensed under this Act with respect to their care of and responsibility for agricultural products stored therein.

SEC. 4. That the Secretary of Agriculture, or his designated representative, is authorized, upon application to him, to issue to any warehouseman a license for the conduct of a warehouse or warehouses in accordance with this Act and such rules and regulations as may be made hereunder: *Provided*, That each such warehouse be found suitable for the proper storage of the particular agricultural product or products for which a license is applied for, and that such warehouseman agree, as a condition to the granting of the license, to comply with and abide by all the terms of this Act and the rules and regulations prescribed hereunder.

SEC. 5. That each license issued under Sections 4 and 9 of this Act shall terminate as therein provided, or in accordance with the terms of this Act and the regulations thereunder, and may from time to time be modified or extended by a written instrument.

SEC. 6. That each warehouseman applying for a license to conduct a warehouse in accordance with this Act shall, as a condition to the granting thereof, execute and file with the Secretary of Agriculture a good and sufficient bond to the United States to secure the faithful performance of his obligations as a warehouseman under the terms of this Act and the rules and regulations prescribed hereunder, and of such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of agricultural products in such warehouse. Said bond shall be in such form and amount, shall have such surety or sureties, subject to service of process in suits on the bond within the State, District, or Territory in which the warehouse is located, and shall contain such terms and conditions as the Secretary of Agriculture may prescribe to carry out the purposes of this Act, and may, in the discretion of the Secretary of Agriculture, include the requirements of fire and/or other insurance. Whenever the Secretary of Agriculture, or his designated representative, shall determine that a previously approved bond is, or for any cause has become, insufficient, he may require an additional bond or bonds to be given by the warehouseman concerned, conforming with the requirements of this section, and unless the same be given within the time fixed by a written demand therefor the license of such warehouseman may be suspended or revoked.

SEC. 7. That any person injured by the breach of any obligation to secure which a bond is given, under the provisions of Sections 6 or 9, shall be entitled to sue on the bond in his own name in any court of competent jurisdiction to recover the damages he may have sustained by such breach.

SEC. 8. That upon the filing with and approval by the Secretary of Agriculture, or his designated representative, of a bond, in compliance with this Act, for the conduct of a warehouse, such warehouse may be designated as bonded hereunder; but no warehouse shall be designated as bonded under this Act, and no name or description conveying the impression that it is so bonded shall be used until a bond, such as provided for in section 6, has been filed with and approved by the Secretary of Agriculture, or his designated representative, nor unless the license issued under this Act for the conduct of such warehouse remains unsuspended and unrevoked.

SEC. 9. That the Secretary of Agriculture, or his designated representative, may, under such rules and regulations as he shall prescribe, issue a license to any person not a warehouseman to accept the custody of agricultural products, and to store the same in a warehouse or warehouses owned, operated, or leased by any State, upon condition that such person agree to comply with and abide by the terms of this Act and the rules and regulations prescribed hereunder. Each person so licensed shall issue receipts for the agricultural products placed in his custody, and shall give bond, in accordance with the provisions of this Act, and the rules and regulations hereunder affecting ware-

housemen licensed under this Act, and shall otherwise be subject to this Act, and such rules and regulations, to the same extent as is provided for warehousemen licensed hereunder.

SEC. 10. That the Secretary of Agriculture, or his designated representative, may charge, assess, and cause to be collected a reasonable fee for every examination or inspection of a warehouse under this Act when such examination or inspection is made upon application of a warehouseman, and for each license issued to a warehouseman or to any person to classify, inspect, grade, sample, and/or weigh agricultural products stored or to be stored under the provisions of this Act, the Secretary of Agriculture, or his designated representative, may charge, assess, and cause to be collected a reasonable fee. All such fees shall be deposited and covered into the Treasury as miscellaneous receipts.

SEC. 11. That the Secretary of Agriculture, or his designated representative, may upon presentation of satisfactory proof of competency, issue to any person a license to inspect, sample, or classify any agricultural product or products, stored or to be stored in a warehouse licensed under this Act, according to condition, grade, or otherwise and to certificate the condition, grade, or other class thereof, or to weigh the same and certificate the weight thereof, or both to inspect, sample, or classify and weigh the same and to certificate the condition, grade, or other class and the weight thereof, upon condition that such person agree to comply with and abide by the terms of this Act and of the rules and regulations prescribed hereunder so far as the same relate to him.

SEC. 12. That any license issued to any person to inspect, sample, or classify, or to weigh any agricultural product or products under this Act may be suspended or revoked by the Secretary of Agriculture, or his designated representative, whenever he is satisfied, after opportunity afforded to the licensee concerned for a hearing, that such licensee has failed to inspect, sample, or classify, or to weigh any agricultural product or products correctly, or has violated any of the provisions of this Act or of the rules and regulations prescribed hereunder, so far as the same may relate to him, or that he has used his license or allowed it to be used for any improper purpose whatever. Pending investigation, the Secretary of Agriculture, or his designated representative, whenever he deems necessary, may suspend a license temporarily without hearing.

SEC. 13. That every warehouseman conducting a warehouse licensed under this Act shall receive for storage therein, so far as its capacity permits, any agricultural product of the kind customarily stored therein by him which may be tendered to him in a suitable condition for warehousing, in the usual manner in the ordinary and usual course of business, without making any discrimination between persons desiring to avail themselves of warehouse facilities.

SEC. 14. That any person who deposits agricultural products for storage in a warehouse licensed under this Act shall be deemed to have deposited the same subject to the terms of this Act and the rules and regulations prescribed hereunder.

SEC. 15. That any fungible agricultural product stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this Act shall be inspected and graded by a person duly licensed to grade the same under this Act.

SEC. 16. That every warehouseman conducting a warehouse licensed under this Act shall keep the agricultural products therein of one depositor so far separate from agricultural products of other depositors, and from other agricultural products of the same depositor for which a separate receipt has been issued, as to permit at all times the identification and redelivery of the agricultural products deposited; but if authorized by agreement or by custom, a warehouseman may mingle fungible agricultural products with other agricultural products of the same kind and grade, and shall be severally liable to each depositor for the care and redelivery of his share of such mass, to the same extent and under the same circumstances as if the agricultural products had been kept separate, but he shall at no time while they are in his custody mix fungible agricultural products of different grades.

SEC. 17. That for all agricultural products stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this Act original receipts shall be issued by the warehouseman conducting the same, but no receipts shall be issued except for

agricultural products actually stored in the warehouse at the time of the issuance thereof.

SEC. 18. That every receipt issued for agricultural products stored in a warehouse licensed under this Act shall embody within its written or printed terms (a) the location of the warehouse in which the agricultural products are stored; (b) the date of issue of the receipt; (c) the consecutive number of the receipt; (d) a statement whether the agricultural products received will be delivered to the bearer, to a specified person, or to a specified person or his order; (e) the rate of storage charges; (f) a description of the agricultural products received, showing the quantity thereof, or, in case of agricultural products customarily put up in bales or packages, a description of such bales or packages by marks, numbers, or other means of identification and the weight of such bales or packages; (g) the grade or other class of the agricultural products received and the standard or description in accordance with which such classification has been made: *Provided*, That such grade or other class shall be stated according to the official standard of the United States applicable to such agricultural products as the same may be fixed and promulgated under authority of law: *Provided further*, That until such official standards of the United States for any agricultural product or products have been fixed and promulgated, the grade or other class thereof may be stated in accordance with any recognized standard or in accordance with such rules and regulations not inconsistent herewith as may be prescribed by the Secretary of Agriculture; (h) a statement that the receipt is issued subject to the United States Warehouse Act and the rules and regulations prescribed thereunder; (i) if the receipt be issued for agricultural products of which the warehouseman is owner, either solely or jointly or in common with others, the fact of such ownership; (j) a statement of the amount of advances made and of liabilities incurred for which the warehouseman claims a lien: *Provided*, That if the precise amount of such advances made or of such liabilities incurred be at the time of the issue of the receipt unknown to the warehouseman or his agent who issues it, a statement of the fact that advances have been made or liabilities incurred and the purpose thereof shall be sufficient; (k) such other terms and conditions within the limitations of this Act as may be required by the Secretary of Agriculture; and (l) the signature of the warehouseman, which may be made by his authorized agent: *Provided*, That unless otherwise required by the law of the State in which the warehouse is located, when requested by a depositor of other than fungible agricultural products, a receipt omitting compliance with subdivision (g) of this section may be issued: *Provided, however*, The Secretary of Agriculture may at his discretion require that such receipt have plainly and conspicuously embodied in its written or printed terms a provision that such receipt is not negotiable.

SEC. 19. That the Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards for agricultural products by which their quality or value may be judged or determined: *Provided*, That the standards for any agricultural products which have been, or which in future may be, established by or under authority of any other Act of Congress shall be, and are hereby, adopted for the purposes of this Act as the official standards of the United States for the agricultural products to which they relate.

SEC. 20. That while an original receipt issued under this Act is outstanding and uncanceled by the warehouseman issuing the same no other or further receipt shall be issued for the agricultural product covered thereby or for any part thereof, except that in the case of a lost or destroyed receipt a new receipt, upon the same terms and subject to the same conditions and bearing on its face the number and date of the receipt in lieu of which it is issued, may be issued upon compliance with the statutes of the United States applicable thereto in places under the exclusive jurisdiction of the United States or upon compliance with the laws of any State applicable thereto in any place not under the exclusive jurisdiction of the United States: *Provided*, That if there be in such case no statute of the United States or law of a State applicable thereto such new receipts may be issued upon the giving of satisfactory security in compliance with the rules and regulations made pursuant to this Act.

SEC. 21. That a warehouseman conducting a warehouse licensed under this Act, in the absence of some lawful excuse, shall, without unnecessary delay, deliver the agricultural products stored therein upon a demand made either by the holder of a receipt for such agricultural products or by the depositor thereof if such demand be accompanied with (a) an offer to satisfy the warehouseman's lien; (b) an offer to surrender the receipt, if negotiable, with such

indorsements as would be necessary for the negotiation of the receipts; and (c) a readiness and willingness to sign, when the products are delivered, an acknowledgment that they have been delivered if such signature is requested by the warehouseman.

SEC. 22. That a warehouseman conducting a warehouse licensed under this Act shall plainly cancel upon the face thereof each receipt returned to him upon the delivery by him of the agricultural products for which the receipt was issued.

SEC. 23. That every warehouseman conducting a warehouse licensed under this Act shall keep in a place of safety complete and correct records of all agricultural products stored therein and withdrawn therefrom, of all warehouse receipts issued by him, and of the receipts returned to and canceled by him, shall make reports to the Secretary of Agriculture concerning such warehouse and the condition, contents, operation, and business thereof in such form and at such times as he may require, and shall conduct said warehouse in all other respects in compliance with this Act and the rules and regulations made hereunder.

SEC. 24. That the Secretary of Agriculture is authorized to cause examinations to be made of any agricultural product stored in any warehouse licensed under this Act. Whenever, after opportunity for hearing is given to the warehouseman conducting such warehouse, it is determined that he is not performing fully the duties imposed on him by this Act and the rules and regulations made hereunder, the Secretary may publish his findings.

SEC. 25. That the Secretary of Agriculture, or his designated representative, may, after opportunity for hearing has been afforded to the licensee concerned, suspend or revoke any license to any warehouseman conducting a warehouse under this Act, for any violation of or failure to comply with any provision of this Act or of the rules and regulations made hereunder, or upon the ground that unreasonable or exorbitant charges have been made for services rendered. Pending investigation, the Secretary of Agriculture, or his designated representative, whenever he deems necessary, may suspend a license temporarily without hearing.

SEC. 26. That the Secretary of Agriculture from time to time may publish the results of any investigations made under Section 3 of this Act and he shall publish the names and locations of warehouses licensed and bonded and the names and addresses of persons licensed under this Act and lists of all licenses terminated under this Act and the causes therefor.

SEC. 27. That the Secretary of Agriculture is authorized through officials, employees, or agents of the Department of Agriculture designated by him to examine all books, records, papers, and accounts of warehouses licensed under this Act and of the warehousemen conducting such warehouses relating thereto.

SEC. 28. That the Secretary of Agriculture shall from time to time make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this Act.

SEC. 29. That in the discretion of the Secretary of Agriculture he is authorized to cooperate with State officials charged with the enforcement of State laws relating to warehouses, warehousemen, weighers, graders, inspectors, samplers, or classifiers; but the power, jurisdiction, and authority conferred upon the Secretary of Agriculture under this Act shall be exclusive with respect to all persons securing a license hereunder so long as said license remains in effect. This Act shall not be construed so as to limit the operation of any statute of the United States relating to warehouses or to warehousemen, weighers, graders, inspectors, samplers, or classifiers now in force in the District of Columbia or in any Territory or other place under the exclusive jurisdiction of the United States.

SEC. 30. That every person who shall forge, alter, counterfeit, simulate, or falsely represent, or shall without proper authority use, any license issued by the Secretary of Agriculture, or his designated representative, under this Act, or who shall violate or fail to comply with any provision of Section 8 of this Act, or shall issue or utter a false or fraudulent receipt or certificate, or change in any manner an original receipt or certificate subsequently to issuance by a licensee, or any person who, without lawful authority, shall convert to his own use, or use for purposes of securing a loan, or remove from a licensed warehouse contrary to this Act or the regulations promulgated thereunder, any agricultural products stored or to be stored in such warehouse, and for which licensed receipts have been or are to be issued, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more

than \$10,000, or double the value of the products involved if such double value exceeds \$10,000, or imprisoned not more than ten years, or both, in the discretion of the court, and the owner of the agricultural products so converted, used, or removed may, in the discretion of the Secretary of Agriculture, be reimbursed for the value thereof out of any fine collected hereunder by check drawn on the Treasury at the direction of the Secretary of Agriculture, for the value of such products to the extent that such owner has not otherwise been reimbursed. That any person who shall draw with intent to deceive, a false sample of, or who shall willfully mutilate or falsely represent a sample drawn under this Act, or who shall classify, grade, or weigh fraudulently, any agricultural products stored or to be stored under the provisions of this Act, shall be deemed guilty of a misdemeanor, and upon conviction thereof fined not more than \$500, or imprisoned for not more than six months, or both, in the discretion of the court.

SEC. 31. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000, available until expended, for the expenses of carrying into effect the provisions of this Act, including the payment of such rent and the employment of such persons and means as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere, and he is authorized, in his discretion, to employ qualified persons not regularly in the service of the United States for temporary assistance in carrying out the purposes of this Act, and out of the moneys appropriated by this Act to pay the salaries and expenses thereof.

SEC. 32. That if any clause, sentence, paragraph, or part of this Act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

SEC. 33. That the right to amend, alter, or repeal this Act is hereby expressly reserved.

